



January 6, 2011

Legislative Listening Session Members
Montana State Capitol
Helena, MT 59601

Dear Listening Session Members:

River's Edge Printing is a 14-employee commercial printing operation located in Great Falls. We are a division of the Great Falls Tribune, which employs 148 Montana workers.

River's Edge regularly bids on jobs from the State of Montana, as do many state printers. We also occasionally bid on jobs from surrounding states. I note that some states, such as Wyoming, have an in-state preference of 10% for Wyoming bidders. In other words, to land a State of Wyoming job, we have to be at least 10% below the lowest Wyoming bidder.

Montana does not have such a preference. Enacting such a preference makes economic sense:

- It allows the state to keep more of its work in-state, providing work for Montana workers and helping Montana printers remain healthy.
- It also would create tax revenue for the state of Montana from the wages and profits generated by these jobs. In other words, the state would receive some of its printing costs back in the form of tax revenue. It is because of that return from taxes, that we think such a state preference rule would be fair; it makes solid economic sense.

We are confident such a preference would not hurt the competitive bidding rates the State of Montana now receives for its work. Several in-state printers bid on jobs, so it is a very competitive process, with most of the work already going to state printers. However, the preference would keep more state workers employed. In the last month, we lost two state jobs by a couple of percentage points to out-of-state printers. We estimate those jobs would have generated 535 hours of work for our operation. At an average pay of \$15.30, that would translate into more than \$8,100 of pay for Montana workers during this slow economic time.

Limiting the preference to 10% would ensure that state printers continue to be competitive with out-of-state printers. If an out-of-state printer is able to beat in-state printers by more than the 10% preference, it would be awarded the job.

This in-state preference also levels the playing field for in-state printers who compete for work in other states. As mentioned earlier, River's Edge regularly bids on out-of-state jobs. Often we submit the lowest bid but lose the job to a printer within that state because of the percentage preference given to that printer.

In summary, creating an in-state preference rule for state jobs benefits Montana in three ways:

- Montana workers receive more hours of work and more pay.
- Montana printing businesses receive more revenue, strengthening them and helping ensure their profitability.
- The State of Montana receives some of its printing costs back in the form of tax revenue from workers and businesses.

Thank you for your consideration. Please let us know if we may answer any questions or provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Strauss".

Jim Strauss
President

A handwritten signature in black ink, appearing to read "Grants Bebee".

Grants Bebee
Sales Manager

A handwritten signature in black ink, appearing to read "Mike Grafe".

Mike Grafe
Production Manager

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